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Chief, Economic Research, OMB

5 May 1959

Chief, Industrial Division, OMB

Monthly Report, April 1959.

I. Relations with and Support to Other Components:

A. CIA:

1. A memorandum was forwarded to the Chief, Economic Research, recommending the establishment of an OMB ELINT Committee to study the possibilities of employing ELINT source material to greater advantages in economic intelligence. The first meeting of this committee is to be held during early May to prepare OMB's contribution to the CIA statement of ELINT requirements, which is being written by the Agency ELINT Staff Officer.

2. While in [redacted] 25X1A6a private travel, [redacted] (I/AM) devoted two working days to briefing DD/P field personnel on the guided missile intelligence problem and providing substantive guidance on related matters.

3. [redacted] 25X1A9a (I/OM) on separate occasions briefed SR Requirements Staff, DD/P; members of the Guided Missiles Division, OSI; Western Europe Division, DD/P; [redacted] and Map 25X1B4d Library personnel on the current status of and problems encountered in the [redacted] 25X1X7. Additionally, at the request of Chief, Economic Research, he briefed representatives of approximately 15 branches of OMB in conjunction with a critique on evaluations and requirements. Using the [redacted] 25X1X7 program as an example, he indicated many of the difficulties faced by the field in the use of requirements and evaluations as they are currently being written, and made a number of suggestions for improvement.

4. [redacted] 25X1A9a (I/OM) presented a lecture on the "Guided Missile Weapons System Cycle", at the clandestine Scientific and Technical Operations Course. This course is designed to acquaint clandestine collection personnel with the subject matter and intelligence problems in a number of technical fields. [redacted]

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25X1A9a lecture described the cyclical phases of development, production and deployment of guided missile systems and outlined the wide variety of information in each of these phases which can contribute toward meeting current national intelligence objectives in this field. [REDACTED] additionally, accompanied the class on a field problem which involved a one-day visit to the Nike-Hercules production facility at Charlotte, N. C.

5. Chief, I/CM, in conjunction with representatives from OSI and ONE, briefed the NSC on current utilization of the services of the [REDACTED] in propaganda analysis of Soviet statements regarding guided missiles. FOIAb3b1 Several studies of this type were initiated a number of months ago at the request of I/CM, and the results have been most informative and useful. It is anticipated that a still broader use will be made of these services.

6. D/I suggestions were submitted for inclusion in the NSC contribution to the semiannual report to the President's Board of Consultants on Foreign Economic and Geographic Intelligence Activities.

B. USIB Committee:

7. I/IE requirements for use in briefing and debriefing US members of the US/USUR Exchange on Electronic Computers were forwarded to the Office of Operations.

8. Memorandum was prepared for Secretary, USIB Committee on Exchanges, indicating I/IE's interest in exchanges recommended by the Soviet Union in the fields of agricultural machinery, power generating equipment, and precision instruments.

9. Chief, I/CM represented CIA in a joint Army-Air Force-CIA briefing, sponsored by CMAC, on Soviet ballistic missile deployment. The purpose of the briefing was to acquaint appropriate collection and analytical personnel throughout the community with current views on the most probable geographic areas for Soviet ballistic missile deployment, and the collection and analysis means which appear to offer the best prospects for contributing to improved intelligence in this problem.

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C. Other:

10. Deputy Chief, D/I, addressed the Strategic Intelligence School on the strategic intelligence process.

11. The Proposed External Research Contract on the B-200 SAM Guidance and Control System was approved by the SIC and the Agency review authorities.

12. Mr. [REDACTED] 25X1A9a (I/MS) briefed the EH Electronics and Telecommunications Subcommittee on the intelligence aspects of his recent visit to several USN electronics installations. He has been requested to provide a similar briefing to the Electronics Subcommittee of the Scientific Intelligence Committee. 25X1A9a [REDACTED] is presently preparing his trip report and is participating in the preparation of a joint team report with other members of the US Delegation. Returning from the USN, [REDACTED] visited 25X1A9a [REDACTED] where he discussed substantive points of common interest. 25X1X7 [REDACTED] with [REDACTED] and reviewed with [REDACTED] 25X1X7 the conclusions of the recently published report on the Soviet Electronics Industry. 25X1X7

13. [REDACTED] 25X1X7 included [REDACTED] 25X1X7 [REDACTED], who visited I/GM at the completion of a three-week tour of US guided missile production facilities and Mr. [REDACTED] who discussed Chinese truck production with I/PE. 25X1X7

14. Studies were undertaken during April on the feasibility of using the MINICARD process for machine storage and recovery of certain types of intelligence data being used in research by I/GM. This followed a briefing by Mr. [REDACTED] DAD/OCR, 25X1A9a on OCR's various machine processes, in which he concluded that MINICARD appeared to be the most promising system for I/GM purposes. Mr. [REDACTED] OCR representative to the OCR Committee on Data Processing, has been assisting I/GM on this problem and a report concerning the feasibility of this project will be made in the early part of May. 25X1A9a

15. I/GM prepared a Current Support Memorandum which discussed the probable development of on-site missile storage facilities at one of the operational sites in the Moscow surface-to-air missile defense system. This development coincides with

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the introduction of the GUIDELINE missile and indicates that the capabilities of the Moscow defense system have been significantly improved.

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16. At the initiative of [REDACTED] (I/OM), about 75 Agency personnel received a briefing on current progress for the Titan ICBM hard-base launch complex. The briefing was presented

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this aspect of the Titan project.

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18. Senior, forward-thinking members of each branch attended an all-day briefing presented by representatives of the Philco Corporation on the Transac S-2000, a fully transistorized, high speed, general purpose data processing computer.

19. During the month, D/I travellers included analysts from I/OM who participated in guided missiles orientation tours to Texas and the West Coast; I/EE who visited various communications and electronics installations in Washington, Baltimore, Philadelphia and New York; Chief, I/EE who travelled to New York to brief the head of the US Electronics Computers Exchange Group; and I/EE who visited the Bethlehem Steel Plant, Sparrows Point, Maryland.

II. Changes in Estimates:

20. Confirmation was obtained during April of several important estimates concerning Soviet transistor production. This information was a result of the US/USSR Exchange on Electronics Production Techniques.

21. With the announcement of First Quarter Plan Fulfillment data, Soviet production of cotton, wool, rayon and linen cloth was reported in square meters. Until now comparable data has been reported in linear meters. This change in reporting provided the information from which to derive the average widths of each of these major types of cloth. It proved the I/EE estimate of the width of Soviet cotton cloth to be exact and our estimate of width of wool cloth to be reasonably close.

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III. Future Plans:

22. An extensive review of the COCOM fact sheets in the electronics category is underway. Up to the present this has consisted largely of consultation with S/ID representatives. During the next few months the program will continue more fully and will involve I/IS's rewriting of a number of the sheets.

23. A number of plant trips to textile mills, synthetic fiber paper, and shoe plants are being organized to give analysts in I/IS responsible for light industry research a better understanding of the problems of technology in these industries. The plant trips are being supplemented by the viewing of industrial films being assembled by Graphics Register.

IV. Problems:

24. No significant problems were encountered during the month.

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